

# EXHIBIT 18

Confidential - Francis Pearn

00001

2 UNITED STATES DISTRICT COURT FOR THE  
3 SOUTHERN DISTRICT OF NEW YORK

4  
5 Case No. 1:22-cv-10019 (JSR)  
- - - - -X

6 JANE DOE 1, Individually :  
and on behalf of all others :  
7 similarly situated, :  
Plaintiffs :

8 :  
VS :  
9 :

JPMORGAN CHASE BANK, N.A., :  
10 Defendant :  
- - - - -X

11 Case No. 1:22-cv-10904 (JSR)  
- - - - -X

12 GOVERNMENT OF THE UNITED STATES :  
VIRGIN ISLANDS :  
13 Plaintiffs :

:  
14 VS :  
:

JPMORGAN CHASE BANK, N.A., :  
15 Defendant :  
16 - - - - -X

17  
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18  
19 Videotaped deposition of  
FRANCIS PEARNS taken at the offices of  
20 Boies Schiller Flexner LLP, 55 Hudson  
Yards, New York, New York 10001, before  
21 Clifford Edwards, Certified Shorthand  
Reporter, and Notary Public in and for the  
22 State of New York, on March 29, 2023, at  
9:47 a.m. EDT.

23  
24  
25

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1

2 Q So same person --

3 A Yes.

4 Q -- that you currently report to?

5 Understood.

6 When did you start working for JPMorgan?

7 A November of 1990.

8 Q Have you worked exclusively for

9 JPMorgan since then?

10 A No.

11 Q Can you tell me who else you've worked  
12 for and when?

13 A So 1990 through 2001, JPMorgan; 2001  
14 through 2006, Bank of America; 2006 to 2009,  
15 Lehman Brothers; and then 2009 to today,  
16 JPMorgan.

17 Q What -- what were your primary  
18 responsibilities in your -- in your previous  
19 role?

20 MR. BUTTS: Which -- which previous  
21 role are we talking about?

22 MR. ARNOLD: Fine.

23 BY MR. ARNOLD:

24 Q What were -- what were -- what were  
25 your responsibilities in your previous role as

1

2

You may answer as a 30(b)(1)

3

witness.

4

A Yes.

5

BY MS. BOGGS:

6

Q Here it's signed by a vice president,

7

looks like Bill Dougherty.

8

Is it typical for CTRs to be signed by a

9

vice president?

10

A I don't know.

11

Q Who usually signs CTRs?

12

A The -- the individual or individuals

13

that are responsible for the filing of the CTR.

14

Generally it's a group within our operations

15

teams.

16

Q CTRs are different than SARs; right?

17

A Yes.

18

Q How are they different?

19

A The CTR is merely a record of cash

20

transactions above the 10,000-dollar threshold.

21

The suspicious activity report, or SAR

22

as you -- as you said, is when the bank believes

23

that there is potentially suspicious activity

24

involving a transaction or a series of

25

transactions.

1

2           Q     In the context of a CTR or a SAR, what  
3     is -- what does it mean for a structuring  
4     transaction?

5           A     Structuring is not involved in CTRs.  
6     Structuring is a crime and structuring is  
7     something that our AML program monitors for.

8           Q     So what is structuring? What does it  
9     look like?

10          A     Structuring is the customer's attempts  
11     to avoid the regulatory filing of a CTR, in  
12     general terms.

13          Q     And so structured transactions are  
14     reported in SARs, not CTRs; correct?

15          A     That's correct.

16          Q     JPMorgan is required to file CTRs  
17     pursuant to federal regulation; right?

18          A     Yes.

19          Q     If a customer has a good reason for  
20     needing to conduct a currency transaction  
21     exceeding 10,000, do you still need to fill out a  
22     CTR form?

23          A     Yes.

24          Q     So the -- the reasoning is irrelevant;  
25     is that correct?

1

2       trafficking that you are looking at in this risk  
3       assessment; it's more just a general pattern of  
4       behavior which would include money laundering and  
5       other activities?

6

MR. BUTTS: Objection. And

7

objection to form.

8

You may answer.

9

A       There are -- the -- the activities that  
10       could be indicative of human trafficking or drug  
11       smuggling are what our transaction monitoring is  
12       focused on.

13

In addition to that, there are various  
14       scenarios that are -- have been in place and are  
15       used to help investigators with once an alert is  
16       generated through those activities that -- that I  
17       talked about, that could be indicators of  
18       activities such as human trafficking or drug  
19       smuggling.

20

And those are documented as part of the  
21       BSA/AML investigative transaction monitoring  
22       team's processes and procedures that they use that  
23       could be indicative of human trafficking.

24

So if they see the activity and then  
25       they have the scenarios that would potentially be

1

2 a human trafficking activity, they would be able  
3 to see that.

4 BY MS. BOGGS:

5 Q Did JPMorgan's assessment of its risks  
6 relating to human trafficking materially change  
7 from 2006 to 2019?

8 MR. BUTTS: Objection. Form.

9 You may answer if you are able.

10 A It evolved. Like, as our program did.  
11 As more work was done with other institutions,  
12 with law enforcement, with global bodies such as  
13 the Wolfsberg organization, which we are a  
14 member, the U.S. regulators later in 2014 and  
15 again in 2020 put out supplements -- put out  
16 supplementary guidance specific around human  
17 trafficking.

18 In there they included what they call  
19 red flags or types of activities, the term I've  
20 been using here, that could be an indicator or  
21 indicators of human trafficking.

22 So all of that led to or contributed to  
23 our evolving our efforts to identify money --  
24 potential money laundering related to human  
25 trafficking.